



Renfrewshire  
Health & Social Care  
Partnership

Renfrewshire Integration Joint Board

Annual Accounts Summary  
2019/2020

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## Introduction

This publication provides a summary of the financial position for Renfrewshire Integration Joint Board (IJB) for the year ending 31 March 2020.

This summary is based on the information in the full version of the accounts. For the purposes of this statement some modifications have been made to provide easier to understand and meaningful information. The full accounts have been independently audited by Audit Scotland and certified as reliable. A full copy of the 2019/20 audited accounts is available on our website - [www.renfrewshire.hscp.scot/Annual-Accounts](http://www.renfrewshire.hscp.scot/Annual-Accounts).

The annual accounts were completed within the context of the COVID-19 outbreak across the UK in late February 2020, and the impact of following government guidance throughout March 2020. The Health and Social Care Partnership's (HSCP) response to mitigating against the impact of COVID-19 had significant impact both financially and upon business as usual service delivery models. The uncertainty and challenges arising from this situation are unprecedented and will continue to impact beyond the next financial year.

*Sarah Lavers*

Sarah Lavers  
Chief Finance Officer  
Renfrewshire Health & Social Care Partnership

## Financial Performance

The financial position for public services continues to be challenging, with the IJB operating within ever increasing budget restraints and pressures which are reflected in regular monitoring reports by the Chief Finance Officer (CFO) to the IJB. This also requires the IJB to have robust financial arrangements in place to deliver services within the funding available in year, as well as planning for future years.

Since the establishment of the IJB, the HSCP has successfully managed to deliver year on year financial balance. This has been achieved through a combination of:

- Flexible use of recurring and non-recurring resources made available by Renfrewshire Council to support the financial sustainability of Adult Social Care services;
- Drawdown of general and earmarked reserves in order to deliver on specific commitments including, for example, funding to mitigate any delays in delivery of approved savings, and,
- Delivery of approved savings through the Change and Improvement Programme; and other operational efficiencies.

# Renfrewshire's Medium-Term Financial Plan

Renfrewshire IJB approved its first Financial Plan in September 2017, setting out the challenging financial outlook facing the IJB and providing the foundations for the determination of budget savings which would be required within the context of ongoing external uncertainty (for example the impact of Brexit) and ongoing financial constraint.

Work was undertaken in early 2019/20 to update the assumptions and projections outlined within this plan, and the IJB approved a revised Medium-Term Financial Plan (MTFP) 2020/21 to 2024/25 in November 2019. This updated plan outlines the financial challenges and opportunities the HSCP faces over the next 5 years and provides a framework for the HSCP to remain financially sustainable. The MTFP also provides the ongoing financial context for delivery of the IJB's existing Strategic Plan and will assist in the strategic planning process, allowing the IJB to make informed decisions when planning for the future whilst maintaining sufficient flexibility to allow us to adapt, invest, redesign and change models of service delivery as required.

A range of key assumptions have been used to develop the MTFP, which are subject to a significant degree of uncertainty. Reflecting this context, four scenarios are modelled within the plan (low, medium, high and worst case), to determine a range of possible outcomes which may occur. Consequently, the plan will be kept under continuing review with appropriate adjustments made as these become clearer. The most recent review in March 2020, which was undertaken in the context of delayed Scottish Government and UK Government budget announcements, identified a net budget gap of £9m to £19m between 2021/22 and 2023/24 which the IJB will need to address.

However, these projections do not consider the severe impact which the COVID-19 pandemic has had and will continue to have on Renfrewshire IJB's financial position. The full extent of this impact will not be fully known until the pandemic has passed, which may not be until financial year 2021/22. Financial recovery from these impacts will take even longer to achieve.

Ultimately, this means that a step-change in the HSCP's approach to service change and improvement will be absolutely essential over the coming years. The IJB has put in place a Recovery and Renewal programme, with supporting governance, to take forward the necessary transformational (or 'renewal' activity') to address these financial challenges.

## Responding to the COVID-19 pandemic

The most significant challenge faced by Renfrewshire HSCP and its partner organisations (and all HSCPs across Scotland) has been responding to the COVID-19 pandemic since March 2020. The HSCP responded rapidly to the emerging situation to ensure that services continued to be delivered safely and effectively whilst protecting vulnerable people within our communities.

The financial impact of COVID-19 was felt in March 2020 and will continue to impact across the 2020/21 financial year. To manage this effectively, additional financial governance was implemented:

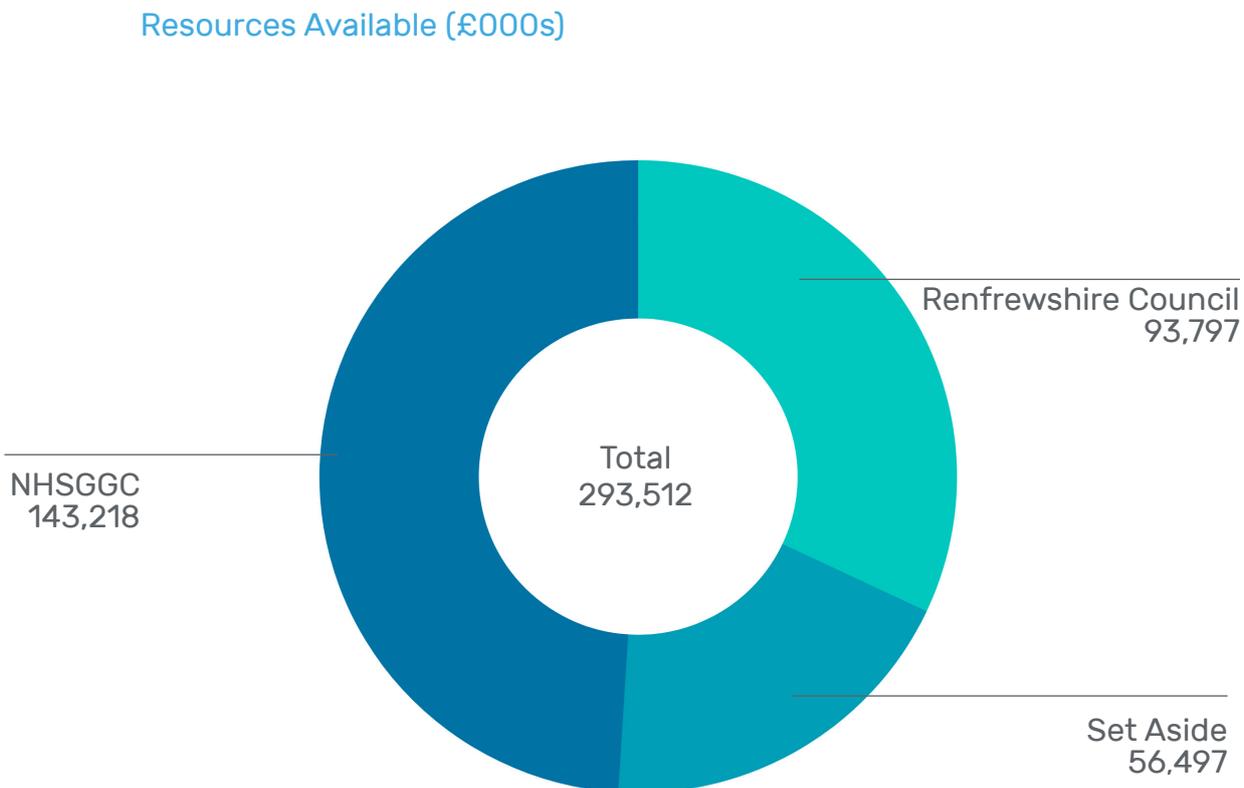
- COVID-19 spend approval forms to enable the separate tracking and management of spend incurred in the COVID-19 response
- The regular completion (weekly) of financial reporting at an NHSGGC and Scottish Government level
- In recognition of the challenges faced by providers, confirmation was provided that the HSCP would allow the relaxation of contract specifications to promote delivery flexibility, and would pay reasonable additional costs incurred in provider responses (subject to Scottish Government and COSLA guidance)

Additional uncertainty remains over the HSCP's financial position due to:

- The potential for future spikes in demand for services which could create additional delivery and financial pressures
- The associated impact of these on the HSCP's transformation and savings plans, which will require ongoing review and realignment.

## Resources Available to the IJB 2019/20

Renfrewshire IJB delivers and commissions a range of health and adult social care services to the population of Renfrewshire, this is funded through budgets delegated from both Renfrewshire Council and NHSGGC. The resources available to the IJB in 2019/20 to take forward the commissioning intentions of the IJB, in line with the Strategic Plan, totalled £293.512m. The following chart provides a breakdown of where these resources came from.



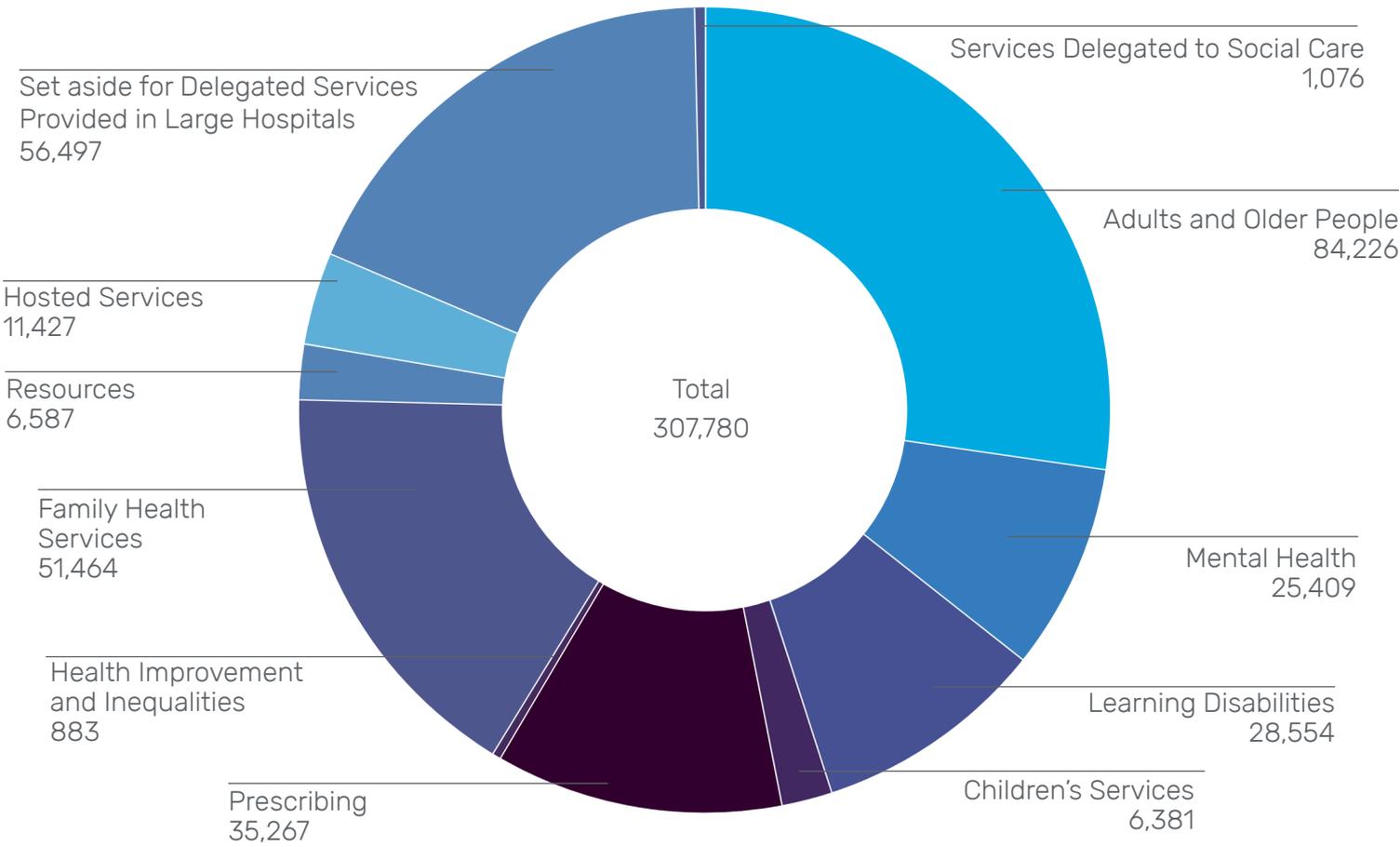
Included within the Resources Available to the IJB is a 'Large Hospital Services' (Set Aside) budget totalling £56.497m, (based on actual spend and activity). This budget is in respect of those functions delegated by the Health Board which are carried out in a hospital within the Health Board area. The IJB is responsible for the strategic planning of these services but not their operational delivery.

The full breakdown and all financial information can be found in the complete [Renfrewshire IJB Audited Accounts 2019/20](#).

# Cost of Services - How money was spent in 2019/20

The total expenditure incurred by the Partnership for 2019/20 was £307,780m. The following pie chart shows how this money was spent across each of our service areas in 2019/20.

Cost of Services (£000s)



The full breakdown and all financial information can be found in the complete [Renfrewshire IJB Audited Accounts 2019/20](#)

## Balance Sheet

The Balance Sheet below shows at 31 March 2020 the IJB held reserves of £9.517m. This is split over General Reserves of £1.401m (created as part of the overall financial strategy of the IJB) to be used to manage the risk of any future unanticipated events and support service provision, and, Earmarked Reserves of £8.116m to fund expenditure for specific projects.

31 March 2019 £000's		Notes	31 March 2020 £000's
5,473	Short Term Debtors	6	9,517
5,473	Current Assets		9,517
-	Short Term Creditors	6	-
-	Current Liabilities		-
5,473	Net Assets		9,517
(930)	Usable Reserves: General Fund	7	(1,401)
(4,543)	Unusable Reserves: Earmarked	7	(8,116)
(5,473)	Total Reserves		(9,517)

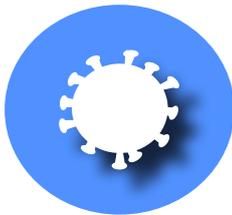
The full breakdown and all financial information can be found in the complete [Renfrewshire IJB Audited Accounts 2019/20](#)

## Challenges for 2020/21

The immediate financial outlook for the public sector and beyond is highly challenging and unpredictable as the scale of the COVID-19 pandemic grows. In the medium-term, there is significant uncertainty over the scale of the funding gap facing the IJB. As highlighted above, a net budget gap of £9m to £19m between 2021/22 and 2023/24 was projected in the budget approved by the IJB in March 2020 (not taking into account additional financial impacts of COVID-19). It is therefore important that the IJB continues to plan for a range of potential outcomes which provide flexibility to manage the financial position in response to COVID-19 and wider pressures which arise over the next few years.

Local demographics and socio-economic issues such as poverty, deprivation and inequalities can vary significantly across Renfrewshire which, in turn, can impact upon the demand for and supply of services in the community. Vulnerable individuals are most at risk from the COVID-19 epidemic and it is highly likely that existing issues with loneliness and social isolation will be exacerbated by current circumstances. The HSCP and Renfrewshire Council continue to coordinate local responses to addressing these issues and work will continue beyond the transition to business as usual in 2020/21.

The key financial risks and pressures for Renfrewshire over the next 12 months include:



**COVID-19**  
response and reducing  
its impact on health  
inequalities



**Brexit**  
what does this mean  
for the HSCP and its  
services?



**Delivering the HSCP's  
COVID-19 Recovery and  
Renewal Programme  
and financial balance in  
2020/21**



**Investing in digital  
technology**  
to help us plan and  
improve our services



**Continued Complexity of IJB  
Governance Arrangements**  
IJB governance arrangements  
is an ongoing concern



**Recruitment challenges**  
for some staff groups including  
GPs, District Nurse and Care at  
Home staff



**Prescribing costs**  
managing what we spend  
per patient in Renfrewshire



**Managing Increasing  
Demand from an Ageing  
Population**  
demand places increasing  
financial and operational  
pressure on services  
delivered by HSCP.



**Set Aside Arrangements**  
The Health Board is required to  
determine an amount set aside  
for integrated services provided  
by large hospitals. Since the  
Joint Bodies Act came into  
force, this has not operated fully  
as the legislation required.